

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Mark J. Cusack

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the Commonwealth Covenant Fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Mark J. Cusack</i>	<i>5th Norfolk</i>	

HOUSE No.

By Mr. Cusack of Braintree, a petition (subject to Joint Rule 12) of Mark J. Cusack for legislation to establish a fund to make loan payments on behalf of graduates of Massachusetts public institutions of higher education who are employed in the areas of science, technology, engineering and mathematics. Higher Education.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to the Commonwealth Covenant Fund.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 10 of the General Laws is here by amended by striking out Section 35EE and
2 inserting in place thereof the following:

3 Section 35EE. Commonwealth Covenant Fund.

4 There shall be established and set up on the books of the commonwealth a separate fund
5 to be known as the Commonwealth Covenant Fund, to make loan payments on behalf of
6 graduates of Massachusetts public institutions of higher education who are employed in the areas
7 of science, technology, engineering and mathematics hereinafter referred to as STEM. The fund
8 shall be administered by the state treasurer, in consultation with the board of trustees. No
9 expenditure from the fund shall cause the fund to be in deficiency at the close of a fiscal year.
10 Monies deposited in the fund that are unexpended at the end of the fiscal year shall not revert to
11 the General Fund and shall be available for expenditure in the subsequent fiscal year.

12 There shall be established a board of trustees consisting of the state treasurer, who shall
13 serve as chair, the president of the University of Massachusetts, and 16 members, 1 of whom
14 shall be appointed by the senate president, 1 of whom shall be appointed by the speaker of the
15 house of representatives, 1 of whom shall be appointed by the minority leader of the senate, 1 of
16 whom shall be appointed by the minority leader of the house of representatives, and 12 of whom
17 shall be appointed by the state treasurer, at least 1 of whom shall be from each of the following
18 fields:- biotechnology; healthcare; computers and mathematics; life, physical and social sciences;
19 architecture and engineering; principals of public high schools; and presidents of state colleges.

20 Of the members appointed by the state treasurer, one third shall be appointed for 1-year terms,
21 one third shall be appointed for 2-year terms and one third shall be appointed for 3-year terms.
22 After the initial terms are served, all terms shall be for 3 years and board members may be
23 reappointed in perpetuity.

24 Subject to appropriation, the commonwealth shall deposit not more than \$4,000,000
25 annually into the fund. The fund may accept private contributions. Private contributions and
26 commonwealth deposits to the fund may be expended without further appropriation only to make
27 the loan payments and to administer the program on behalf of eligible graduates of public
28 institutions of higher education in the commonwealth. Eligible loans shall not include credit card
29 loans or loans taken out by the eligible student's parent or guardian.

30 The fund shall be administered by the state treasurer using procedures established by the
31 board of trustees. The board shall file these procedures with the senate and house committees on
32 ways and means, the joint committee on higher education and the secretary of administration and
33 finance not later than 30 days after promulgation of said procedures by the board. The board
34 shall file any amendments to the procedures with the senate and house committees on ways and
35 means, the joint committee on higher education and the secretary of administration and finance
36 not later than 30 days after the board adopts said amendments. The procedures shall include a
37 method for the board of trustees to certify to the senate and house committees on ways and
38 means, the joint committee on higher education and the secretary of administration and finance
39 the actual amount received in private contributions to the fund in each fiscal year. The
40 procedures shall also include safeguards for protecting the anonymity of donors who desire not
41 to be identified.

42 Grants provided from the fund shall, in addition to any restrictions adopted by the board
43 of trustees, be restricted as follows: (1) a recipient shall have received a certificate or
44 undergraduate degree in a STEM field program from a public institution of higher education in
45 the commonwealth within 2 years of initial application; provided, that for the purposes of this
46 section, eligible STEM fields may include: healthcare practitioners and technical occupations;
47 computer and mathematical occupations; life, physical and social sciences occupations; and
48 architecture and engineering occupations; provided further, that the eligible STEM fields shall
49 also include teaching in any of the aforementioned areas; (2) a recipient shall have graduated
50 from a public institution of higher education in the commonwealth with a cumulative grade point
51 average of 2.7 or greater; (3) a recipient's family income during the recipient's final year of
52 enrollment at a public institution of higher education in the commonwealth as documented on the
53 Free Application for Federal Student Aid form shall have been at or below 400 per cent of the
54 federal poverty level applicable in that year; (4) a recipient shall have completed at least 1 year
55 or part-time prorated to equal at least 1 year of employment in a STEM field within the
56 commonwealth; (5) a recipient shall currently reside in the commonwealth, as defined in M.G.L.
57 c. 62, §1(f); and (6) a recipient's annual salary after graduation and at the time of the application
58 shall not exceed \$65,000 per year for a single filer and \$80,000 per year for joint filers.

Grants shall be awarded in an amount not to exceed \$5,000 annually per recipient and shall not exceed \$15,000 cumulatively per recipient. The grants shall be paid from the fund directly to the lender on behalf of an eligible graduate.

The board of trustees shall, every 3 years, undertake a review of the eligibility requirements in subsection (e) and the workforce needs of the commonwealth to determine which occupations could benefit from an award as provided in this section and which occupations, if any, no longer require this program. The board may amend the eligibility requirements and expand or contract the program in accordance with the changing workforce needs of the commonwealth.